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In The

Supreme Court of the United States

OCTOBER TERM, 1943

NO. 455

[redacted] MANUFACTURING COMPANY,
[redacted] GLASS CO. and
McKEE GLASS COMPANY and
GEORGE S. HAIR, Petitioners,

v.

HARTFORD-EMPIRE COMPANY, Respondent.

On Writ of Certiorari to the Circuit Court of Appeals for the Third Circuit

BRIEF FOR RESPONDENT, HARTFORD-EMPIRE COMPANY

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January, 1944.

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IN THE

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NO. 423

SHAWKEE MANUFACTURING COMPANY,
GLENSHAW GLASS COMPANY,
McKEE GLASS COMPANY and
GEORGE R. HAUB, Petitioners,

v.

HARTFORD-EMPIRE COMPANY, Respondent.

On Writ of Certiorari to the Circuit Court of Appeals for the Third Circuit

BRIEF FOR RESPONDENT, HARTFORD-EMPIRE COMPANY

I

Official Reports of Decisions

The decision of the court below is reported at 137 F. 2d 764 and appears at page 79 of the Record. That decision disposed not only of this case, but also a companion one, *Hazel-Atlas Glass Company, petitioner, v. Hartford-Empire Company,* in which certiorari has also been granted, No. 398 at this Term.

The earlier decision of the Circuit Court of Appeals, upon which was based the judgment sought to be reopened by the present proceeding, appears at 68 F. 2d 726. That opinion was filed January 11, 1934 and judgment was entered on the same day.

II

Counter-Statement of the Case

For brevity, petitioners will be collectively referred to in this counter-statement as "Shawkee", respondent as "Hartford", the earlier litigation reported at 68 F. 2d 726 as "the Shawkee infringement suit", the petitioner at No. 398 as "Hazel", and the record at No. 398 as "Hazel R.".*

Many of the facts and legal considerations in the present case relate likewise to the *Hazel-Atlas* case. (Shawkee's brief, p. 1, says the questions presented are the same, except for the additional contention, in the Shawkee case, as to the effect of the *Keystone Driller* case, 290 U.S. 240). To avoid repetition, we shall incorporate by reference in this brief such portions of our brief in the *Hazel-Atlas* case as deal with matters common to both cases. Copies of both briefs will be served upon counsel for the Shawkee petitioners and copies of this brief will be supplied to counsel for Hazel-Atlas.

The proceedings and issues below

On October 24, 1941, Shawkee filed a petition in the Court of Appeals for leave to file a bill of review in the District Court, annexing the proposed bill of review to

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* Matters appearing in the Hazel record were incorporated in the record herein, by reference (R. 57).

the petition (R. 2, 14). The petition alleged that Shawkee had discovered "new matter of consequence in said cause" (R. 5). The proposed bill of review prayed that the decree of the District Court be vacated and that Shawkee be awarded damages and reimbursement of monies paid by Shawkee to Hartford in settlement of the infringement accounting and by way of royalties (R. 19). Hartford maintained by counter affidavits (Hazel R. 49-145) that the alleged facts were not new, and that certain of them were not facts. In a memorandum opposing the petition (R. 21), Hartford raised the question of Shawkee's diligence, and denied the allegations as to the "newly-discovered" character of the facts alleged.

On December 29, 1941, the Court of Appeals ruled that the gist of the petition was in the charge of fraud on that court (R. 53) and denied the petition, but granted leave to amend its prayers so as to petition the Court of Appeals to set aside its 1934 judgment on the ground of fraud, the court stating that it would adopt the practice followed in the Second Circuit in the *Art Metal* cases, 107 F. 2d 940; 107 F. 2d 944 (R. 54).

On January 7, 1942, Shawkee filed an amendment to its petition (R. 54), which in substance was a motion to set aside the judgment in the Shawkee infringement suit which the Court of Appeals had entered in 1934, on the ground of fraud, for a rehearing therein, for dismissal of the suit on the ground of unclean hands and for the assessment of treble damages by the Court of Appeals.

On February 3, 1942, Hartford filed its reply to the amended petition (R. 57). It incorporated by reference portions of Hartford's reply to the Hazel amended petition (Hazel R. 155) which outlined the history of the

Clarke article; stated reasons why there was no fraud and why the evidence referred to in the proposed bill of review was not newly discovered; and included a statement as to Shawkee's laches.

Subsequently in its brief, Hartford raised the question as to whether the Court of Appeals had the power to recall its mandate, vacate the judgment and rehear the case after the close of the term, about eight years before, at which the final judgment was rendered. To this question, the answer must be in the negative, fraud or no fraud, because a Circuit Court of Appeals loses all jurisdiction of a case at the close of the term in which its judgment is entered unless the jurisdiction be reserved, which was not done in the Shawkee infringement suit. The case at bar offers no ground for making an exception to that rule.

The issues in this Court

The record before this Court is limited to the above-mentioned petitions and the proceedings thereon. Shawkee's brief herein undertakes to present many matters from the Hazel and Shawkee infringement suits, and to refer to the proceedings therein, although neither the record in the Hazel infringement suit nor the record in the Shawkee infringement suit is before this Court. The merits of the patent infringement suits are not involved here, for obvious jurisdictional reasons. *Toledo Scale Co. v. Computing Scale Co.*, 261 U.S. 399, 417-8. We shall proceed herein upon the assumption that the only matters to be here considered are those raised by the petition. *Rorick v. Devon*, 307 U.S. 299, 303; *General Talking Pictures Corp. v. Western Electric Co.*, 304 U.S. 175, 179.

The opinion of the court below;
Shawkee's knowledge of the facts in 1933;
Shawkee's laches

For a statement as to the opinion below (R. 79; Hazel R. 216), insofar as it deals with matters common to the Shawkee and Hazel cases, we respectfully refer to our companion brief filed in the Hazel case, No. 398, pages 4-9. With specific reference to the Shawkee case, the opinion below covered the following points:

(1)

The Court of Appeals found that its 1934 decision in the Shawkee case confirms the fact that its 1932 decision in the Hazel case was not based upon the Clarke article.

"But, wholly apart from the Clarke article, the majority of the court in the Hazel-Atlas case, upon turning to 'the proofs', drew their own conclusions in support of the action which the court thereupon took. That such was the primary basis of the majority opinion in the Hazel-Atlas case *is confirmed by the opinion for the court in the Shawkee case** where, without mention of or reference to the Clarke article, this court again held the Peiler patent valid. True enough, in the Shawkee case the court referred to what it had held in the Hazel-Atlas case with respect to the validity of the Peiler patent. But *that only served to confirm that what was held in the Hazel-Atlas case was the court's independent judgment, regardless of the Clarke article.* That

* Emphasis in quotations ours throughout this brief.

this is so is further confirmed by the fact that Judge Woolley, who had dissented sharply in the Hazel-Atlas case, separately concurred in the court's order in the Shawkee case stating that he regarded himself as bound by the court's decision in the Hazel-Atlas case. *And that was after the matter of the Clarke article had been brought to the court's attention* by the Barnett correspondence while the Shawkee appeal, which had been lately argued, was still under advisement." (Opinion, R. 87)

(2)

The Court of Appeals found the fact to be that Shawkee, like Hazel-Atlas, knew about the authorship of the Clarke article long before 1941,

"the only difference being that Shawkee brought to the attention of the court forthwith, at the time of its pending appeal, its lately acquired information concerning the Clarke article, in the manner and with the result as will now appear." (Opinion, R. 84-85)

and that in 1934,

"In its petition to this court for a rehearing, Shawkee had again set forth * * * 'that the [Clarke] article was a publication instigated by the plaintiff [Hartford] and published at the plaintiff's urgent request * * *'" (Opinion, R. 86)

(3)

The Court of Appeals found the fact to be that Shawkee's representations to that court in 1933 and 1934 concerning the authorship of the Clarke article were considered by all three of the judges who had heard the Hazel and Shawkee cases.

At to Shawkee's 1933 representations:

"That the information respecting the Clarke article, thus imparted to Judge Buffington, came to the attention of the full court is evident * * *" (Opinion, R. 85)

And as to Shawkee's petition for rehearing:

"There can be no doubt that the matter received the attention of all of the members of the court which had heard the Shawkee, as well as the Hazel-Atlas case." (Opinion, R. 86)

(4)

The Court of Appeals found that the facts alleged were not "after-discovered." On the contrary, it found that Shawkee had such knowledge respecting the Clarke article "as long ago as 1933, while the original appeal in the Shawkee case was still pending in this court", followed by applications of Shawkee for rehearing and for leave to file bill of review, that

"Not possibly can the information as to the facts attending the publication of the Clarke article be deemed to rate as after-discovered evidence so far as either Hazel-Atlas or Shawkee is concerned." (Opinion, R. 86)

(5)

The Court of Appeals held as a matter of law, as in the Hazel case, that it had no power to vacate or set aside the decree of the District Court or to recall its mandate to that court (Opinion, R. 88-89).

The Clarke Article

For a general narrative of the circumstances surrounding the preparation and publication of the Clarke article, and related matters, we respectfully refer to our brief in the Hazel case, No. 398, pages 10-14.

The Shawkee brief attacks the truth of the Clarke article on three grounds:

First, there is an innuendo (Br. p. 8) that the article was not based upon the Union Proceedings; but the fact is, as clearly shown in the record, that the article was based in greater part upon the Union Proceedings and consisted largely in a compilation therefrom (Hazel R. 70, 59-60, 195-215; and see our brief in the Hazel case p. 45).

Second (Br. pp. 8-9), Shawkee criticizes the truth of the article because it does not mention various prior art *paper* patents, the disclosures of which never went into practical use. As is apparent from a reading of the Clarke article, it was not concerned with patents, but only with the history of the practical glass art which the Union members encountered in their work.

Third (Br. pp. 9-10), Shawkee criticizes the curves in the chart appended to the Clarke article, on the basis of correspondence which dealt with *preliminary drafts* of the curves, which were different from the corrected

curves appearing in the chart (Hazel R. 62-63). The published curves are "as accurate as could be arrived at" (Hazel R. 62); "as nearly correct as possible" (Hazel R. 63).

Factual errors in the dissenting opinion below

We hereby incorporate by reference the portion of our brief in the Hazel case, No. 398, pp. 15-6, stating this matter.

Inaccurate statements and arguments in Shawkee's brief in matters outside the record

Shawkee's brief is replete with statements and arguments wholly outside the record before this Court. Those statements and arguments, apparently intended to create "atmosphere", cannot be permitted to go unchallenged. In the circumstances, we feel justified in stating our disagreement therewith, and commenting—not as the basis for any argument of our own, but solely for the purpose of holding the case within its proper compass—as follows:

(1) *Shawkee's assertion that Hartford obtained the allowance of broad claims in the Peiler patent "by use of the Clarke article"* (Br. p. 21). The file wrapper is not in this record. Contrary to Shawkee's assertion, the facts are that the Peiler application was rejected *three times* by the Patent Office after a copy of the Clarke article was filed in October, 1926, twice by the Primary Examiner and once by the Board of Appeals.* The Peiler application was allowed, not because of the Clarke

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* See the opinion of the District Court in the Hazel infringement suit, 39 F. 2d 111, 117, quoted on p. 7 of Shawkee's brief herein.

article, but on proof of Peiler's priority over a Howard patent, upon which Peiler's broad claims had theretofore been rejected. The Clarke article was never so much as mentioned in any decision or any action by the Patent Office.

(2) *Shawkee's reargument of the Shawkee infringement suit.* The record in the Shawkee infringement suit is not a part of the record before this Court. Nevertheless, Shawkee's brief reargues the principal points debated in that suit, decided against Shawkee and not referred to in the Clarke article, such as its contention that its glass feeder, held to infringe the Peiler patent, used a method "entirely different" from the method disclosed by that patent (brief, p. 2), and that Shawkee used the "principle of the old Hitchcock patents" (brief, p. 21). Since the present proceedings do not require consideration of these matters and the record on them is not in this Court for review, the factual errors of this sort in the Shawkee brief will not be discussed here. We call attention, however, to the fact that petitioners' intimation that their feeder, enjoined in the Shawkee infringement suit, was the feeder of "the old Hitchcock patent", is belied by petitioners' own conduct in filing a patent application covering their feeder (R. 22; Hazel R. 87), thus representing to the Patent Office that their feeder was *not* old in the art.

(3) The Shawkee brief, page 9, contains the wholly erroneous statement, purportedly on the authority of the decision of the District Court in *Hartford-Fairmont Co. v. U. S. Glass Co.*, 2 F. 2d 109, 111, that a certain Brookfield patent "under which the defendant was operating was known to be in commercial operation and successfully feeding suspended gobs or charges to ware

forming machines". The facts are that the defendant was not operating under any Brookfield patent, that the disclosure of that patent was never commercially operated to feed suspended gobs or charges of glass, and that the District Court did not so hold.

(4) The statements of alleged fact in the "Conclusion" of the Shawkee brief (pp. 21-22) are entirely outside of the record, including comments on "the history of Hartford's patent situation", Hartford's alleged patent monopoly to which the Clarke article is said to have been the "key", alleged patent monopoly from 1905 to 1954, and the suggestion that the judgment against Shawkee prevents it from using prior art feeding apparatus or methods. We do not here debate these erroneous allegations, deeming it improper to do so, but merely point out their utter recklessness and lack of support in the record.

III

Summary of Argument

(1)

Respondent interposed no objection in the court below, on procedural grounds, to petitioners' original application in the court below for leave to file a bill of review in the District Court, but opposed only on the lack of merit in the petition. Petitioners now have the procedural right to file an original bill in a competent court of original jurisdiction to impeach the judgment now standing against them. Petitioners ask this Court to prescribe an improper procedure for this case, which is unnecessary. There is a proper procedure open to petitioners, as the court below pointed out, whereby

petitioners can obtain relief if any is warranted by the facts.

The court below was without statutory authority to grant the relief sought by petitioners. If the petition be regarded as a part of the original Shawkee infringement suit, the Court of Appeals had lost all jurisdiction by the expiration of the term in which its 1934 judgment was entered. If the petition be regarded as an original bill to impeach the 1934 judgment of the Court of Appeals, the court had no jurisdiction because it is a court of appellate jurisdiction only. The limitation is not merely one of judicial pronouncement, but is imposed on the Circuit Courts of Appeals by statute.

The *Art Metal* cases in the Second Circuit are not applicable here, as the court below correctly held. The Second Circuit, as well as the other Circuit Courts of Appeals, follows the general rule, established by many decisions of this Court, that the power of a Court of Appeals over its final judgment, rendered by a competently constituted court, expires with the expiration of the term in which the judgment is entered, unless steps are taken during that term to continue the court's jurisdiction.

The dissenting opinion below is erroneous in considering that analogy exists between the present case and the *Art Metal* cases, and in holding that a Court of Appeals can act as a *nisi prius* court. It disregards the the controlling decisions of this Court.

There is no conflict between the judgment below and the decisions of this Court in *United States v. Throckmorton,* 98 U.S. 61, and *Marshall v. Holmes,* 141 U.S. 589, both of which dealt with original bills brought in courts of original jurisdiction.

The English cases cited by petitioners are not applicable here.

The public interest does not require reversal of the judgment below. On the contrary, the public interest requires that the judgment below be affirmed and that petitioners be held to a procedure by original bill which would protect the rights of both parties.

(2)

There was no fraud in the preparation and publication of the Clarke article, or in its use by respondent in the Patent Office, or in the reference which respondent made to it in its 1931 brief before the Circuit Court of Appeals. The Clarke article was true. Clarke checked the article for accuracy, adopted it as his own, signed it, and sponsored its publication. Consequently, it was Clarke's own article when it was published, and it was so considered by respondent's counsel in good faith. The Clarke article was not material to the 1932 decision of the court below, as that court correctly held.

(3)

The court below correctly held that petitioners have known since 1933 of respondent's connection with the Clarke article and have no standing to seek the relief for which they petitioned. Petitioners submitted to the Court of Appeals, in 1933 and again in 1934, facts and contentions concerning the Clarke article, similar in all material respects to those they now advance. They remained inactive for nearly eight years after the Court of Appeals refused to rehear the Shawkee infringement suit in 1934, and for nearly two years after being put on notice by the filing of a Government antitrust complaint,

in which allegations were made as to the authorship of the Clarke article. Petitioners began these proceedings only after respondent sued one of the petitioners for overdue royalties. There is no merit in petitioners' contention that respondent, in 1932, foreclosed investigation as to the Clarke article.

(4)

Petitioners are barred by their own election from seeking relief. At the first hearing in the Court of Appeals in 1933, petitioners voluntarily proposed and entered into a stipulation, approved by the court, that the appeal from the granting of the preliminary injunction should be considered as if on final hearing, thereby waiving their right to call and examine witnesses. Although, prior to the decision of the Court of Appeals in 1934 they had acquired knowledge of respondent's connection with the Clarke article, petitioners did not seek to be relieved of their stipulation as they might have done, but stood upon it, thus electing not to call and examine witnesses known by them to have full knowledge regarding the Clarke article. Petitioners thereby barred themselves from the relief they now belatedly seek.

(5)

The court below correctly found that the alleged fraud did not prevent petitioners from making a full and fair defense. There was a full adversary proceeding in the Shawkee infringement suit. Petitioners nowhere contend that respondent prevented them from presenting every possible defense, including all pertinent prior art and all proof as to the similarity to that art of their accused glass feeding method. Petitioners are now merely seeking reargument of issues already thoroughly

litigated. *United States v. Throckmorton*, 98 U.S. 61; *Toledo Scale Co. v. Computing Scale Co.*, 261 U.S. 399.

(6)

Petitioners' contention that the original complaint below should be dismissed on the authority of this Court's decision in the *Keystone Driller* cases is without merit. That decision does not derogate from the rule that a Circuit Court of Appeals has no jurisdiction over its final judgment after the expiration of the term in which that judgment was entered; for the *Keystone Driller* cases were in interlocutory stages, and thus remained under the control of the court below as to both subject matter and parties. No case of "unclean hands" is presented here, because respondent committed no fraud in connection with the Clarke article. The article was true, it was Clarke's own article when it was published, it was so regarded and referred to by respondent's counsel, and it did not procure the decision of the Court of Appeals in the Hazel infringement suit.

(7)

The writ of certiorari should be dismissed because the judgment below was based on several grounds, mainly of a factual nature and each sufficient to dispose of the case. This Court has dismissed writs of certiorari in such circumstances.

IV

ARGUMENT

First Point

Respondent interposed no objection in the court below, on procedural grounds, to petitioners' original application in the court below for leave to file a bill of review in the District Court, but opposed only on the lack of merit in the petition.

Respondent concedes that it is petitioners' procedural right to file an original bill in a competent court of original jurisdiction to impeach the judgment now standing against them, but insists that the court below was without statutory or other authority to grant the relief sought by petitioners.

Petitioners' several contentions in regard to the legal power and as to the public interest are wholly without merit.

To avoid repetition, we hereby incorporate by reference our argument under the First Point in our brief in the Hazel case, No. 398, pages 22-43.

Shawkee's brief (page 17) erroneously states that the court below held that "application should be made to the District Court for leave to file a bill of review". What the court held (R. 89) was that the course is open to Shawkee to file an original bill to impeach the decree now standing in the District Court "on the ground of the alleged fraud in the issuance of the patent". The substance of such an original bill would be without merit but petitioner does not deny that Shawkee has the procedural right to file it.

Petitioners' brief, pp. 18 and 20, cites several decisions not relied upon by petitioner in the Hazel case No.

398 in support of its argument that the Court of Appeals had power to vacate its judgment after the expiration of the term in which the judgment was entered. The decisions include *Winslow v. Staab,* 2 Cir., 242 Fed. 426; *United States v. Sterling,* 2 Cir., 70 F. 2d 708; *In re New England Oil Refining Co.,* 1 Cir., 9 F. 2d 344; *U. S. ex rel. Fisher v. Williams,* 67 Fed. 384. Without exception these cases deal with judgment of *District* Courts. Therefore, none of them is authority for the proposition that a Circuit Court of Appeals has the power to recall its mandate after the expiration of the term of its entry. Moreover, in each of the circuits in which these cases were decided there have been subsequent decisions confirming the Court of Appeals' lack of such power. See footnote on p. 28 of our brief in the Hazel case at No. 398.

Petitioners' brief at p. 18 also refers to a decision of the British House of Lords. There is nothing to show that the House of Lords has any terms such as are provided for by statute for the United States Circuit Courts of Appeals; 28 U.S.C. § 223.

Second Point

There was no fraud in the preparation and publication of the Clarke article, or in its use by respondent in the Patent Office or in the Circuit Court of Appeals. The Clarke article was not material to the decision of the Court of Appeals.

Shawkee's contentions as to the alleged fraud have been answered in our brief in No. 398, pp. 43-53. We will not here repeat what we there said. We merely point out here that in spite of Shawkee's knowledge of the Clarke article and of the fact that the court below quoted

therefrom in its 1932 opinion in the Hazel infringement suit, which Shawkee must have known more than a year before the bill of complaint was filed against it in May, 1933, Shawkee made no claim of falsity of the article until 1941. On October 30, 1933, Hartford's counsel asserted in a letter to Mr. Barnett, then counsel for Shawkee, that the quotations from the Clarke article, appearing in the decision of the Court of Appeals in the Hazel infringement suit, were true (R. 68). Shawkee neither questioned nor denied that fact (Hazel R. 81 *et seq.*). Shawkee had ample opportunity to discover inaccuracies if they existed.

Even now, it makes no claim that any statement in the article is inaccurate, but only criticizes (brief, p. 9) a preliminary draft of the chart, which was subsequently corrected (Hazel R. 62-63), and (brief, pp. 8-9) the omission from the article of reference to various *patents*. The Clarke article, of course, dealt with machinery and methods that were in practical use, not with patents. The conclusion is inevitable that there were no inaccuracies in the published article.

Shawkee makes the unfounded contention (brief, p. 5) that Hatch prepared the article for the purpose of influencing the Patent Office. Hatch did not compile the article for use in the Patent Office, and in fact never knew the article was to be used in the Patent Office until shortly before its publication (Hazel R. 65, 69).

Confirmation of the truth of the Clarke article is found in an extract (Hazel R. 87-88) from a patent application filed by Haub, *one of the Shawkee petitioners here,* upon the Shawkee glass feeder involved in the Shawkee infringement suit. We ask the Court to read this extract and compare it with the parts of the Clarke article that deal with the commercial developments of

automatic glassware machinery. Haub was the designer of the Shawkee feeder (R. 63; see also Hazel R. 56, 72, 76). His account of the feeding methods in practical use is precisely the same, in effect, as the account given in the Clarke article, though it adds a reference to certain Hitchcock *patents*.

The gravamen of Shawkee's complaints seems to be that Hartford fraudulently concealed its connection with the Clarke article from the Court of Appeals and from Shawkee (Petition, R. 11); but prior to that court's 1934 decision both that court and Shawkee had before them:

1. Documentary evidence in the form of correspondence in July, 1926 between Hatch and Kimes, of the National Glass Budget, showing that the article was published at Hartford's request. Hartford interposed no objection to the submission of these papers to the court below and its counsel stated in a letter to Judge BUFFINGTON, "So far as we are concerned, your Court may consider them, if it desires so to do, as a part of the record in this case. * * *" (Hazel R. 81)

2. Mr. Barnett's assertion "that the Clarke article was printed at the instigation of the Hartford-Empire Company, through one of its attorneys, R. F. Hatch * * *" (Hazel R. 77) which was not denied by Hartford.

3. Letter from Edmund P. Wood to W. J. Belknap of November 14, 1933, stating that "we understood that Mr. Hatch was instrumental in having the article * * * published in the Glass Budget and were so told by Mr. Hatch" (Hazel R. 145).

4. Mr. Barnett's assertions that the article "first had been instigated and then invoked by plaintiff", that "the publication of this article in the Glass Budget was instigated by the ingenious brain of Mr. Hatch", and that the article "had been published at the instigation of one of plaintiff's attorneys and with strong circumstantial indications that it had been written at such instigation", none of which was denied (Hazel R. 84, 85).

Within a month after the 1934 decision of the Court of Appeals was handed down, Shawkee filed a petition for rehearing based in part on the assertion that "the article was [a publication] instigated by plaintiff and published at plaintiff's urgent request", (R. 27), and that Hartford did not come into court with clean hands "where it relies upon a prior decision which rests in large part upon this self-serving and apparently homemade 'evidence'" (R. 27-28). This petition was denied.

Shawkee had sufficient knowledge to make the foregoing assertions to the Court of Appeals. What now is the "newly discovered evidence" justifying this latest attempt to disturb that court's final judgment?

Except in so far as it is applicable only to petitioner in No. 398, we hereby incorporate by reference our argument under the Second Point in our brief in No. 398, pages 43-53.

In addition, we note a material error in the Shawkee brief, page 11, which quotes a reference by Judge BUFFINGTON to the "labor conventions", and states

> "There is no other statement in Judge Buffington's opinion from which it might be inferred that he had considered the prior art of record on the merits."

Judge BUFFINGTON's opinion is to the contrary. At 59 F. 2d 399, 409, first column, Judge BUFFINGTON refers to "our study of the art" and this reference is preceded and followed by discussion of proofs in the record having no connection whatever with the Clarke Article or the union proceedings. Also on pages 411-3 Judge BUFFINGTON repeatedly held that the prior art patents did not show what is claimed in the Peiler patent. He referred, for example (p. 412), to "alleged anticipation which absolutely did not disclose Peiler's device", and stated (p. 413) "not only does every prior patent fail to show Peiler's combination * * *."

Third Point

The court below correctly held that petitioners have known since 1933 of respondent's connection with the Clarke article and have no standing to seek the relief for which they petitioned.

The court below found the facts to be that in 1933, while the appeal in the Shawkee infringement suit was pending, Shawkee "brought to the attention of the court * * * its lately acquired information concerning the Clarke article"; that in a petition for rehearing in 1934, "Shawkee had again set forth '* * * that the [Clarke] article was a publication instigated by the plaintiff [Hartford] and published at the plaintiff's urgent request * * *'"; and that in 1935 Shawkee sought that court's leave to file a bill in the nature of a bill of review and in 1938 sought leave to file a petition for rehearing, both of which applications were refused (Opinion, R. 85-86). The court below then held:

"Not possibly can the information as to the facts attending the publication of the Clarke article be

deemed to rate as after-discovered evidence so far as either Hazel-Atlas or Shawkee is concerned." (Opinion, R. 86)

* * * * * * *

"So far we have considered this matter on the merits of the petitioners' allegations and *their standing to seek the relief for which they petition;* and we conclude against them on both grounds." (Opinion, R. 88)

These holdings are manifestly correct. Having known since 1933 of respondent's connection with the Clarke article, as found by the court below, and having knowledge of the witnesses from whom they could have secured whatever facts they then may not have known, petitioners have failed to exercise any diligence whatever, are guilty of laches, and are therefore barred from now attempting to reopen the final judgment below.*

Counsel for Hartford in November, 1933 sent to counsel for Shawkee and to the Court of Appeals a copy of a letter from Edmund P. Wood to W. J. Belknap (Hazel R. 83, 145) setting forth that Hatch had told Wood that Hatch had been instrumental in having the Clarke article published. Shawkee has never consulted Mr. Wood as to his knowledge of the preparation and publication of the article (Hazel R. 190).

Counsel for Shawkee did write to counsel for Hazel-Atlas and received a carefully worded answer, part of which is quoted in respondent's Reply (R. 62), in which Hazel's counsel stated that "probably soon after the patent issued in 1927, I thought that the Hartford-Empire Company might have been responsible for the

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* Cf. *Toledo Scale Co. v. Computing Scale Co.*, 261 U.S. 399, 422-423, 425.

article * * *". Hazel's counsel stated that in order to be more definite he would have to search his papers. Shawkee apparently never even requested Hazel's counsel to conduct such a search.

Hatch has never denied but on the contrary has, whenever asked, freely described his part in the preparation and publication of the article (see Hazel R. 28, 30). Clarke admitted to William R. Wood that the article was "prepared and written by" Hatch (Hazel R. 28), and to Hazel's investigator McCarthy that essential parts of the article, and the diagram, had been furnished by Hartford's representatives (Hazel R. 193). If Shawkee had ever exercised ordinary diligence, had ever attempted to obtain a statement from Wood, Clarke or Hatch, it would have discovered those additional facts which it now claims, but which we deny, are material. Yet *Shawkee never asked Wood, Clarke or Hatch as to their knowledge of the genesis of the article,* nor has it ever made any attempt to obtain statements, under oath or otherwise, from any of them.

Shawkee then considered the matter of sufficient importance to file a petition for rehearing based in part on what it knew about the article. Yet it never took any steps to follow the paths which then were clearly before it. Perhaps Shawkee knew where those paths would lead and considered the additional information it might obtain to be immaterial, but in any event it is now barred by its failure for more than seven years to follow those paths.

The Seventh Circuit Court of Appeals in *Toledo Scale Co. v. Computing Scale Co.,* 281 Fed. 488, 499, affirmed 261 U. S. 399, said that the Toledo company, whose position in that case corresponded to that claimed here for Shawkee,

"had continuously in its hands the thread which, if followed, would have led to Computing Company's lair, which Toledo company's present counsel allege was first discovered on December 20, 1921, after the affirmance of the accounting decree. * * * Toledo Company, with the aforesaid facts and clews in its possession, and without applying to this court as the only court having authority to grant relief for newly discovered evidence which might make an accounting unnecessary, engaged Computing Company in a prolonged accounting contest which involved great labor and expense."

In affirming, this Court held (261 U.S. 399, 420-1) that the applications to reopen on the ground of alleged fraud on the court and on the defendant were

"addressed to the sound discretion of the court, and based as they were upon the ground of newly discovered evidence, the indispensable condition of their being granted was that the failure to discover the evidence in time for the trial was not due to a lack of diligence on the part of the applicant. That condition precedent was not fulfilled."

Either Shawkee is barred by the denial in 1934 of its petition for rehearing based upon its charges then made, the matter being thus *res adjudicata,* or else it is barred by its utter lack of diligence in not pursuing the inquiry further.

It is worthy of note that the present petition, though filed nearly eight years after that court's decision, was not instituted, in spite of the knowledge, convictions and known sources of further information that Shawkee has had for all that period, *until after Hartford had commenced a suit for overdue royalties against Glenshaw Glass Company, one of these petitioners.*

In December of 1939 or shortly thereafter, counsel for Shawkee obtained a copy of the verified complaint in an antitrust proceeding against Hartford, Hazel and others, which complaint set forth detailed allegations as to the preparation and publication of the Clarke article. Yet even then, Shawkee waited *twenty-two months* before filing its petition for a bill of review for "newly-discovered evidence"!

Shawkee's brief offers no excuse for its negligence from 1934 to 1941 except the completely erroneous claim on pages 11-12 that Hartford's employee Hatch paid money to Clarke "shortly" after the 1932 decision of the court below in the Hazel infringement suit, and thus "foreclosed every avenue of investigation". The true facts concerning Clarke's request for money *after* Hazel made its cross-license contract with Hartford and Hartford's later payments to Clarke, are described in our brief in No. 398, pages 62-6. The payments "foreclosed" no investigation which anyone cared to undertake; the facts had been disclosed long before (see Hazel R. 71). Moreover, it is not even contended that Hartford did anything to "foreclose" avenues of investigation which were open to Shawkee through Messrs. Wood and Hatch, or to "foreclose" Shawkee's investigation through Hazel's counsel (which Shawkee began but apparently dropped) or to "foreclose" Shawkee from obtaining leave to take the depositions of Clarke, Hatch and others who, as Shawkee knew, could have testified fully on every detail of the Clarke article matter.

The mere statement of the uncontroverted facts thus lead to the conclusion that Shawkee has been completely lacking in diligence and has been guilty of gross laches.

Fourth Point

Petitioners are barred by their own election from seeking relief: At the first hearing in the Court of Appeals in 1933, petitioners voluntarily proposed and entered into a stipulation, approved by the court, that the appeal from the granting of the preliminary injunction should be considered as if on final hearing, thereby waiving their right to call and examine witnesses.

Although, prior to the decision of the Court of Appeals in 1934 they had acquired knowledge of respondent's connection with the Clarke article, petitioners did not seek to be relieved of their stipulation, as they might have done, but stood upon it, thus electing not to call and examine witnesses known by them to have full knowledge regarding the Clarke article. Petitioners thereby barred themselves from the relief they now belatedly seek.

We here summarize certain facts which are important in the consideration of this Point:

The Bill of Complaint was filed May 31, 1933. At that time, one of the defendants, Shawkee Manufacturing Company, was making and offering for sale glass feeders whose operation was charged to infringe the Peiler patent in suit. Two other defendants, Glenshaw Glass Company and McKee Glass Company, were using the feeders in day-to-day operation. The fourth defendant, George R. Haub, was an engineer formerly in the employ of Hartford and of Hazel-Atlas Glass Company, and was made a defendant as the designer of the accused feeders. The District Court filed its opinion on June

22, 1933, and granted a preliminary injunction, limited, however, to enjoining the sale or disposition of the accused feeders to third parties. It refused to enjoin preliminarily the use of the feeders by the defendants themselves (R. 62-63).

On June 27, 1933, the defendants filed their answer. Two of the defendants, Glenshaw Glass Company and McKee Glass Company, admitted in the joint answer of the defendants that they were then and had been licensed by Hartford to use certain glass feeders owned by Hartford and embodying and performing inventions of Hartford, including "the method invention of the letters patent here in suit; and that they have acknowledged and recognized and still continue to acknowledge and recognize the validity of letters patent of plaintiff including the letters patent here in suit" (R. 63).

The defendants further averred that if the claims in suit of said patent 1,655,391 were interpreted to embody the apparatus and method of the accused device, then the claims in suit were invalid in view of certain prior art cited, including prior art not before the Court in the Hazel-Atlas suit (R. 63).*

At the hearing of the appeal in 1933, Shawkee's counsel voluntarily proposed that the parties stipulate that the case be considered as if on final hearing (thus waiving its right to call and examine witnesses), and a written stipulation to that effect was entered into and filed (R. 63).

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* This was the gravamen of their contentions in response to the motion for preliminary injunction. The District Court found against them.

Before the 1934 decision of the Court of Appeals, Shawkee had obtained sufficient knowledge as to the preparation and publication of the Clarke article so that it wrote to the Judges of that court "that the publication of this article in the Glass Budget was instigated by the ingenious brain of Mr. Hatch, one of plaintiff's attorneys * * *" (Hazel R. 85), that this fact was clearly shown by the correspondence in Shawkee's possession between Hatch and Kimes of the National Glass Budget (R. 71-75, and this brief, pp. 19-20 *supra*), and that the article "had been published at the instigation of one of plaintiff's attorneys and with strong circumstantial indications that it had been written at such instigation" (Hazel R. 84).

In Shawkee's petition for rehearing in the court below, filed February 8, 1934 (R. 76), which was based in large part upon its knowledge as to the Clarke article, that article is characterized as "self-serving and apparently *home-made* evidence" (R. 28).

Notwithstanding its knowledge of Hartford's connection with the preparation and publication of the Clarke article, and notwithstanding its knowledge that witnesses such as Hatch, Clarke, and the Messrs. Wood could have supplied any additional facts which Shawkee may not then have known, Shawkee made no attempt to withdraw from its voluntary stipulation or to obtain leave to take the testimony of those witnesses. Had it so requested, leave would undoubtedly have been given. *Carnegie Steel Co. v. Cambria Iron Co.*, 185 U.S. 403, 444.

Shawkee thereby elected to affirm its waiver of the right to call and examine witnesses. It cannot now repudiate that irrevocable election.

Fifth Point

The judgment below was correct because the alleged fraud did not prevent petitioners from making a full and fair defense.

The court below, after outlining the knowledge of the Clarke article's authorship which both Hazel and Shawkee had during the infringement suits, said (Opinion, R. 87):

> "To be material, the fraud, whereby a decree was allegedly obtained, must have prevented the party complaining from making a full and fair defense. Toledo Scale Co. v. Computing Scale Co., 261 U.S. 399, 421."

In the leading case of *United States v. Throckmorton*,* 98 U.S. 61, upon which petitioners rely here, this Court held that a court of equity has the power to set aside a judgment, on the ground of fraud, after the term of the court in which it was entered, *but only* when "there was in fact no adversary trial or decision of the issue in the case", *only* where "the unsuccessful party has been prevented from exhibiting fully his case, by fraud or deception practiced on him by his opponent", and *only* where "there has never been a real contest in the trial or hearing of the case".

Petitioner contends (brief, p. 19) that Shawkee was "prevented from presenting all its case to the court"

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* Cited recently in this Court's opinion in *Schneiderman v. United States*, 320 U.S. 118, decided June 21, 1943, and cited also in Mr. Justice RUTLEDGE'S concurring opinion in the same case.

because Hartford referred in the Shawkee case to the decision of the court below in the Hazel infringement suit and this, Shawkee says, "foreclosed inquiry by the Court of Appeals into the prior art upon which Shawkee relied". But the facts are that Shawkee presented to the trial court all defenses it chose to raise, including prior art patents not before the court in the Hazel infringement suit, and presented to the Court of Appeals not only those defenses but also substantially its present defense of the authorship and use of the Clarke article. It did so by several letters to the court (Hazel R. 77, 81, 82, 83) and in its petition for rehearing (R. 27-28). If the latter defense lacked any material detail whatever in 1933 and 1934, petitioners could readily have supplied it if they had exercised the slightest diligence, as we have already shown under the Third Point, pp. 21-26 *supra*.

This Court said, in *Toledo Scale Co. v. Computing Scale Co.*, 261 US. 399, 421, relied upon by the court below in its opinion (R. 87):

> "* * * in any case to justify setting aside a decree for fraud whether extrinsic or intrinsic, it must appear that the fraud charged really prevented the party complaining from making a full and fair defense. If it does not so appear, then proof of the ultimate fact, to wit, that the decree was obtained by fraud, fails."

Judged by this standard, which has never been disputed, the alleged newly-discovered evidence upon which the instant petition is based, even if it could be considered to establish a fraud, even if such alleged fraud were material, and even if the 1932 judgment for respondent were obtained by the alleged fraud, all of which we deny, would not constitute that kind of fraud which

would "justify setting aside a decree". The petitioner has never been prevented by any action of the respondent "from making a full and fair defense". The principal issue in the Shawkee infringement suit was infringement. Shawkee contended that its glass feeding method was the method of certain old Hitchcock patents (R. 3). This, its main defense, was elaborately presented and was decided against it by the court below, which said (68 F. 2d 726):

> "It is clear that, if the defendants' apparatus * * * had been in use before the patent in suit, it would have been a complete anticipation thereof. Coming after the patent, it is as clearly an infringement, and the court committed no error in so holding."

The Clarke article obviously did not bear upon this question of whether Shawkee's method was or was not merely the old Hitchcock method; for the Clarke article did not refer to the Hitchcock patents or to the Shawkee feeder.

The question of infringement in this suit, as in every infringement suit, depended on the proper place of the patent in the art. *Petitioners nowhere contend that they were prevented by respondent from presenting every possible defense, including all the pertinent prior art and full explanation of that art.* Petitioners are merely seeking a reargument of issues already thoroughly litigated.

Petitioners are not here seeking an opportunity to offer new proof on any of the issues of the patent controversy. Petitioners are merely seeking a reargument of the issues of validity and infringement, already thoroughly litigated in an adversary proceeding. The very

fact that the petition does not contain any prayer directed toward amplifying the record of the patent case conclusively demonstrates that petitioners were not prevented from making a full and fair defense, and therefore, under the doctrine of the *Toledo Scale* case, *supra*, the judgment below should be affirmed.

Except insofar as it is applicable only to petitioner in No. 398, we hereby incorporate by reference our argument under the Fifth Point in our brief in No. 398, pages 70-73.

Sixth Point

Petitioners' contention that the original complaint below should be dismissed on the authority of the KEYSTONE DRILLER cases is without merit.

There is nothing in the decisions of this Court or of the lower courts in the *Keystone Driller* cases at variance with the proposition that the final judgments of the Court of Appeals in the Shawkee and Hazel cases may not now be set aside because that court has no jurisdiction to do so. The decisions in the *Keystone Driller* cases were rendered while the proceedings were in interlocutory stages; whereas here the jurisdiction of the Court of Appeals ended with the ending of the term in which its mandate went down (see our brief in the Hazel case at No. 398, pp. 25-8). The doctrine of unclean hands is applicable while the court has control of the subject matter and of the parties: *Cf. United States v. Morgan*, 307 US. 183, 197.

Petitioners urged "unclean hands" and the decision of this Court in the *Keystone Driller* cases upon the court below in their letter to the court dated December

16, 1933 (R. 26; Hazel R. 85) and in their petition for rehearing filed February 8, 1934 and denied by the Court of Appeals February 21, 1934 (R. 27, 76). This was the petition for rehearing in which, as already said, petitioners characterized the Clarke article as "apparently home-made evidence" (R. 28). Thus the Judges of the court below who had heard and decided the Hazel and Shawkee infringement suits did not consider that the authorship of the Clarke article, or Hartford's reference to that article in its brief, presented a case of "unclean hands".

Moreover, Hartford in fact committed no fraud in connection with the Clarke article. As to this, we refer to the argument under the Second Point in our brief in the Hazel-Atlas case, No. 398, pages 43-53. Hence the "unclean hands" doctrine of the *Keystone Driller* cases has no application here.

The charge of "unclean hands" is completely negatived by the fact that not only was the Clarke article true but Hartford's counsel believed it to be true, and properly deemed it to be Clarke's own article, when they referred to it in the Patent Office (Hazel R. 53-54, 92) and when they referred to it in their Court of Appeals brief (Hazel R. 56).

Finally, as the court below correctly held (R. 87), the decision in the Hazel infringement suit was reached wholly independently of the Clarke article. This is shown in detail under the Second Point of the argument in our brief in the Hazel case at No. 398, pp. 50-53.

Seventh Point

The writ of certiorari should be dismissed because the judgment below was based on several grounds, mainly of a factual nature and each sufficient to dispose of the case.

We hereby incorporate by reference our argument under the Sixth Point in our brief in No. 398, pages 73-5.

V

CONCLUSION

The judgment below should be affirmed, or in the alternative, the writ of certiorari should be dismissed.

Respectfully submitted,

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